

THE CYLINDER COMPANY PTY LTD (TRADING AS CLIVERON SERVICES)
A.B.N. 27 006 774 796

DIRECTORS REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024

In accordance with a resolution of the Directors dated 7 February 2025 the Directors of the Company have pleasure in reporting on the company for the financial year ended 30 September 2024 and the state of affairs as at 30 September 2024.

The Directors of the company in office at the date of this report are:

Richard Rees

Thomas Rees

PRINCIPAL ACTIVITIES:

The principal activities of The Cylinder Company Pty Ltd during the year were to trade as a property maintenance company, mainly servicing the Chief Entity's properties as well as holding a number of Unlisted Investments.

DIVIDENDS:

No dividends were paid or recommended since the end of the previous financial year.

REVIEW OF OPERATIONS:

The Cylinder Company has operated within budget parameters during the year.

REVIEW OF FINANCIAL POSITION

The directors refer readers to the financial statements including, statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows, in relation to the company's financial position and comparison.

OPERATING RESULTS:

The net loss, after providing for an income tax revenue of \$4,197 (2023: income tax revenue \$9,594), amounted to \$12,590 (2023: net profit \$70,464).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS:

There have been no significant changes in the state of affairs of the company during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE:

No matters or circumstances, except as detailed above, have arisen since the end of the financial year which significantly affected or may significantly affect the operation of the company and the results of these operations or the state of affairs of the company in financial years subsequent to the financial year ended 30 September 2024.

FUTURE DEVELOPMENTS:

No information has been included on the likely developments of the Company as the directors are of the opinion that to include such comments would be unreasonably prejudicial to the interests of the Company.

ENVIRONMENTAL ISSUES:

The Company is not subject to significant environmental regulation in respect of its activities.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to begin proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 September 2024 is included on page 6 of the Financial Report.

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INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the holding company paid a premium of \$56,645 in respect of a contract insuring the directors of the company (as named below) and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent of the policy limits with a current \$7,500,000 in aggregate for all claims per twelve months.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

OPTIONS

No options over shares or interest in the company have been taken up during the period, or are outstanding at the end of the period.

REMUNERATION REPORT

The Board policy for determination of the nature and amount of remuneration for directors and senior executives is based on the yearly Chairman and Managing Director's assessment of individual's performance and the general overall performance of the company.

It is the stated policy that depending on this assessment, the level of remuneration may be increased or decreased after a review from its previous level.

The criteria on which individual performance is assessed are:-

- technical knowledge and skills in light of current levels for the applicable occupation or profession
- application by the individual of their knowledge and skills to their tasks
- the ability and success in imparting their knowledge, skills and work ethic to personnel assigned to them
- the ability to complete assignments successfully and in the allocated time
- the ability to assist the company and or subsidiary achieve profitable short, medium and long term performance and growth by delivering customers with quality, competitively priced and innovative products and services.

The table below sets out the remuneration paid during the year to Directors and executives with a breakdown into salaries/ bonuses, superannuation and non-monetary benefits.

No equity component of remuneration is provided but board policy is to encourage directors and executives to purchase shares in the company on the stock exchange with the objective of long term investment.

Name	Office	Short Term Benefits				Post-Employment Benefits		Total	
		Salary/Bonus ¹		Non-Monetary Benefits		Superannuation			
		2024 (\$)	2023 (\$)	2024 (\$)	2023 (\$)	2024 (\$)	2023 (\$)	2024 (\$)	2023 (\$)
D.G. Rees	Director	-	11,667	-	-	-	1,225	-	12,892
R. Rees	Director	245,000	243,333	40,000	40,000	27,756	28,281	312,756	311,614
T. Rees	Director	270,000	238,333	-	-	27,700	28,225	297,700	266,558
Total		515,000	493,333	40,000	40,000	55,456	57,731	610,456	591,064

¹ R. Rees' salary for 2024 includes bonuses totalling \$40,000 (2023: \$40,000). The six monthly bonuses with grant dates of 31 March 2024 and 13 September 2024. The bonuses totalling \$40,000 have been fully paid as at 30 September 2024.

² T. Rees' salary for 2024 includes a bonus of \$110,000 (2023: \$80,000). The six monthly bonuses with grant dates of 31 March 2024 and 13 September 2024 have been fully paid as at 30 September 2024.

The above table represents the remuneration received from all companies in the group.

Signed in accordance with a resolution of the Directors made pursuant to S.298 (2) of the Corporations Act 2001.

On behalf of the Directors



RICHARD REES
Moorabbin, 7 February 2025



THOMAS REES

Independent Auditor's Report to the Members of The Cylinder Company Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Cylinder Company Pty Ltd (the Company), which comprises the statement of financial position as at 30 September 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of The Cylinder Company Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 September 2024 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that besides the Company incurred a net loss of \$12,590 during the year ended 30 September 2024, as of that date, the Company had deficiency in net assets of \$1,401,604 and had current liabilities exceeded its current assets by \$4,174,987. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Advisory. Tax. Audit.

Registered Audit Company 291969

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Liability limited under a scheme approved under Professional Standards Legislation.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Nexia Melbourne Audit Pty Ltd
Melbourne



Richard S. Cen
Director

Dated this 7th day of February 2025

DIRECTORS' DECLARATION

The directors declare that:

- a) The attached financial statements and notes (pages 7 to 24) thereto comply with Australian Accounting Standards;
- b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company;
- c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- d) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed, in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Mr. R. Rees
Director



Mr. T. Rees
Director

Moorabbin,
7 February 2025

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of The Cylinder Company Pty Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Nexia Melbourne Audit Pty Ltd
Melbourne



Richard S. Cen
Director

Dated this 7th day of February 2025

Advisory. Tax. Audit.

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THE CYLINDER COMPANY PTY LTD (TRADING AS CLIVERON SERVICES)
A.B.N. 27 006 774 796

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	NOTE	2024 \$	2023 \$
Revenues	2	11,489	84,095
Expenses	3	(28,276)	(23,225)
Finance costs		-	-
Profit/(loss) before income tax expense		(16,787)	60,870
Income tax (expense)/revenue	4	4,197	9,594
Profit/(loss) after income tax expense		<u>(12,590)</u>	<u>70,464</u>
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Net loss on revaluation of financial assets measured at fair value through other comprehensive income/(loss)		<u>499,967</u>	<u>964,658</u>
Other comprehensive income/(loss)		<u>499,967</u>	<u>964,658</u>
Total comprehensive income/(loss)		<u>487,378</u>	<u>1,035,122</u>

Notes to and forming part of the accounts are set out on pages 11 to 24.

THE CYLINDER COMPANY PTY LTD (TRADING AS CLIVERON SERVICES)
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STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash assets	21	11,540	39,794
Receivables	5	6,322	500
Inventories	6	-	-
Current tax receivables	10	4,458	-
TOTAL CURRENT ASSETS		<u>22,320</u>	<u>40,294</u>
NON-CURRENT ASSETS			
Plant and equipment	7	-	-
Financial assets	8	2,363,788	2,560,276
Deferred tax assets	9	409,595	576,513
TOTAL NON-CURRENT ASSETS		<u>2,773,383</u>	<u>3,136,789</u>
TOTAL ASSETS		<u>2,795,703</u>	<u>3,177,083</u>
CURRENT LIABILITIES			
Payables	11	4,197,307	5,061,851
Provisions	12	-	-
Current tax liabilities	13	-	4,213
TOTAL CURRENT LIABILITIES		<u>4,197,307</u>	<u>5,066,064</u>
TOTAL LIABILITIES		<u>4,197,307</u>	<u>5,066,064</u>
NET LIABILITIES		<u>(1,401,604)</u>	<u>(1,888,981)</u>
EQUITY			
Issued capital	14	60	60
Reserves		(1,225,698)	(1,725,665)
Accumulated losses		(175,966)	(163,376)
TOTAL DEFICIENCY		<u>(1,401,604)</u>	<u>(1,888,981)</u>

Notes to and forming part of the accounts are set out on pages 11 to 24.

THE CYLINDER COMPANY PTY LTD (TRADING AS CLIVERON SERVICES)
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Issued Capital	Reserves*	Accumulated Losses	Total Equity
Balance September 30, 2022	60	(2,690,323)	(233,840)	(2,924,103)
Net profit/(loss) for the period	-	-	70,464	70,464
Other comprehensive income/(loss)	-	964,658	-	964,658
Balance September 30, 2023	60	(1,725,665)	(163,376)	(1,888,981)
Net profit/(loss) for the period	-	-	(12,590)	(12,590)
Other comprehensive income/(loss)	-	499,967	-	499,967
Balance September 30, 2024	60	(1,225,698)	(175,966)	(1,401,604)

* 'Reserves' refers to a financial assets reserve, which includes all of the unrealised gains over cost on the revaluation of financial assets measured at fair value through other comprehensive income, financial assets, net of capital gains tax.

Notes to and forming part of the accounts are set out on pages 11 to 24.

THE CYLINDER COMPANY PTY LTD (TRADING AS CLIVERON SERVICES)
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STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 SEPTEMBER 2024

	NOTE	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,205	12,788
Payment to suppliers and employees		(28,527)	(22,802)
Interest received		-	-
Dividends received		76	71,307
Income Tax Paid/Refund		(4,214)	2,672
Net cash provided by/(used in) operating activities	20(ii)	(26,460)	63,965
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from investments		794,360	-
Payments for financial assets		(1,302,559)	(698,885)
Net cash provided by/(used in) investing activities		(508,199)	(698,885)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from/(Repayment of) borrowings		506,405	618,447
Net cash provided by/(used in) financing activities		506,405	618,447
Net increase/(decrease) in cash flows		(28,254)	(16,473)
Cash at beginning of financial year		39,794	56,267
Cash at end of financial year	20(i)	11,540	39,794

Notes to and forming part of the accounts are set out on pages 11 to 24.

THE CYLINDER COMPANY PTY LTD (TRADING AS CLIVERON SERVICES)
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

Note 1 MATERIAL ACCOUNTING POLICY INFORMATION

The financial report is a general purpose financial report prepared to satisfy the financial report preparation requirements of the *Corporations Act 2001*.

The Cylinder Company Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared for a for-profit entity, with the Australian Dollar as presentation currency and amounts rounded to the nearest whole dollar.

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and *The Corporations Act 2001*.

The financial report of The Cylinder Company Pty Ltd complies with Australian Accounting Standards. Material accounting policies adopted in the preparation of these statements are stated below & were consistently applied unless otherwise stated.

The financial statements were authorised for issue on 7 February 2025 by the directors of the company.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(A) Material Accounting Policies

Accounting policies are selected and applied in a manner which helps ensure that the resultant financial information satisfies the concepts of relevance and reliability, thereby, ensuring that the substance of the underlying transactions and other events is reported. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

(B) Property, Plant and Equipment

Depreciation has been charged in the accounts using either the straight line or reducing balance method on all classes of depreciable assets so as to write off their book value over the estimated useful life of the asset. The following estimated useful lives are used in the calculation of depreciation. Plant and equipment 4 – 8 years.

THE CYLINDER COMPANY PTY LTD (TRADING AS CLIVERON SERVICES)

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

(C) Inventories

The Company has:

- (i) Valued stocks at the lower of cost and net realisable value.
- (ii) Calculated costs by including all variable manufacturing cost, and an appropriate portion of fixed manufacturing cost, but excluding selling, distribution and administration expenses, and
- (iii) Assigned cost to inventory quantities on hand at balance date on a first in first out basis.

(D) Research and Development Expenditure

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(E) Employee Entitlements

Provision is made for benefits accruing to employees in respect of annual leave and long service leave when it is probable that settlement will be required and are capable of being measured reliably.

Provisions made in respect of annual leave and long service leave, expected to be settled within 12 months and after 12 months are measured at their nominal values plus related on costs.

(F) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted with changes in presentation for the current financial year.

(G) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(H) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current assets exceed recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

(I) Accounts Payable

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(J) Provision for Warranties

Provision is made in respect of the company's estimated liability on products under warranty at balance date.

(K) Revenue

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

Revenue from contracts with customers

The core principle of AASB15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those good or service. Revenue is recognised by applying a five-step model as follows:

- (i) Identify the contract with the customer
- (ii) Identify the performance obligations
- (iii) Determine the transaction price
- (iv) Allocate the transaction price to the performance obligations
- (v) Recognise revenue as and when control of the performance obligations is transferred.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sale of Goods

Revenue from the sale of goods is recognised upon the deliver and invoicing of goods to customers.

Rendering of Services

Revenue from rendering of service is recognised upon delivery and invoicing of the service to the customers.

Other income

Revenue from rent, interest revenue & dividend revenue is recognised on invoice date, when accrued and at ex-dividend date respectively.

(L) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Cylinder Company Pty Ltd, which is a wholly-owned Australian subsidiary company, is a member of an income tax consolidated group under the tax consolidation regime. The Cylinder Company Pty Ltd recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of the entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from October 1, 2003. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(M) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(N) Going Concern

Notwithstanding the company's deficiency in net assets of \$1,401,604 and negative working capital of \$4,174,987 and accumulated losses of \$175,966 for the year ended 30 September 2024, the financial report has been prepared on the going concern basis. This basis has been adopted as Sietel Limited, being the ultimate holding company of the company, confirmed to the company that:

1. The amount owing by the company to Sietel Limited of \$4,197,005 as at 30 September 2024 shall not be called upon within the current period to the detriment of all other unsecured creditors.
2. If necessary, funds or additional bank security will be provided to the company or its debt financier to ensure that it can meet its current trading obligations that have, or will be incurred.

(O) Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit and loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Subsequent to initial recognition, these assets are

carried at amortised cost using the effective interest rate method less provision for impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which are they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL. Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments).

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

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The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade Receivables

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

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	2024	2023
	\$	\$
Note 2. Revenue		
Operating:		
Sales Revenue	11,413	12,788
Dividends		
-Other Corporations	76	71,307
Interest Received	-	-
Other revenue	-	-
Total revenue	<u>11,489</u>	<u>84,095</u>

Note 3. Expenses

(a) Operating profit before income tax has been determined after:

Cost of sales	4,336	15,496
Overheads	22,106	6,867
Administration expenses	1,714	672
Finance expenses	120	190
Total expense	<u>28,276</u>	<u>23,225</u>

Depreciation of:

- Plant and equipment

	-	-
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(b) Net transfers to (from) provisions for:

- Employee entitlements

	-	-
--	---	---

- Research and Development costs

	-	-
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
Note 4. Income Tax Expense		
(a) The prima facie tax on operating profit is reconciled to the income tax expense (benefit) in the accounts as follows.		
Operating profit (loss) before income tax	(16,787)	60,870
Prima facie income tax expense applicable to operating profit at 25% (2023: 25%)	(4,197)	15,217
Add/Deduct tax effect of:		
Permanent differences		
Tax offsets/rebates	-	(10,675)
Other allowable items	-	-
Reclassification of brought forward timing differences and overprovision for tax	-	(14,136)
Income Tax Expense per Accounts	(4,197)	(9,594)
The applicable weighted avg effective tax rates	N/A	N/A
Note 5. Current Receivables		
Trade receivables	-	-
Other receivables	6,322	500
	6,322	500
Note 6. Inventories		
Raw Material	-	-
Work in progress	-	-
Finished goods	-	-
	-	-
Note 7. Plant and Equipment		
Plant and machinery at cost	61,785	61,785
Less: Accumulated depreciation	(61,785)	(61,785)
	-	-
Furniture and fittings	-	-
Less: Accumulated depreciation	-	-
	-	-
Office machines and equipment	-	-
Less: Accumulated depreciation	-	-
	-	-
Motor Vehicles	-	-
Less: Accumulated depreciation	-	-
	-	-
TOTAL PLANT AND EQUIPMENT	-	-

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Note 7. Plant and Equipment (cont.)

Movements in the carrying amounts for plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment
Balance at 1 October 2023	-
Additions	-
Disposals	-
Depreciation expense	-
Balance at 30 September 2024	-

Movements in the carrying amounts for plant and equipment between the beginning and the end of the previous financial year.

	Plant and Equipment
Balance at 1 October 2022	-
Additions	-
Disposals	-
Depreciation expense	-
Balance at 30 September 2023	-

2024
\$

2023
\$

Note 8. Non-Current Other Financial Assets

In related companies	-	-
Shares at fair value: In unlisted investments	2,363,788	2,560,276
	2,363,788	2,560,276

Note 9. Deferred Tax Assets

Deferred tax assets	409,595	576,513
	409,595	576,513

Note 10. Current Tax Receivables

Income tax receivables	4,458	-
	4,458	-

Note 11. Current Payables

Unsecured

Trade creditors	-	-
Sundry creditors	-	-
Amounts payable to Chief Entity (i)	4,197,005	5,061,297
Group tax (PAYG)	302	-
GST	-	554
	4,197,307	5,061,851

(i) The loan from Sietel Ltd is secured by a registered debenture over all the assets and undertakings of the company

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Note 12. Current Provisions

	Annual Leave	Long Service Leave	Directors' Fees	Provision for Warranty	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
Opening Balance at 1 Oct 2023	-	-	-	-	-
Additional provisions	-	-	-	-	-
Amounts used	-	-	-	-	-
Amounts paid out on resignation	-	-	-	-	-
Amounts transferred out	-	-	-	-	-
Balance at 30 September 2024	-	-	-	-	-

2024	2023
\$	\$

Note 13. Current Tax Liabilities

Income tax payable	-	4,213
	-	4,213

Note 14. Issued Capital

Issued capital 60 (2023 – 60) ordinary shares fully paid	60	60
----------------------------------------------------------	----	----

Ordinary Shareholders are entitled to one vote per share.

Note 15. Remuneration of Key Management Personnel

Income received or due and receivable by all directors of the company from the company and any related bodies corporate \$610,456 (2023 \$591,064).

The number of Directors whose income from the company and related bodies corporate was within the following bands.

	<u>2024</u>	<u>2023</u>
\$ 0 - \$ 269,999	-	2
\$ 270,000 - \$ 449,999	2	1
\$ 450,000 - \$ 999,999	-	-
\$1,000,000 - \$ 1,699,999	-	-

Retirement and Superannuation payments paid on retirement from office or to prescribed superannuation funds for provision of retirement benefits of Directors of the Company: \$55,456 (2023 \$57,731).

The names of the Directors who held office during the financial year:

Richard Rees Thomas Rees

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
Note 16. Auditors Remuneration		
Amounts received or due and receivable by the company's auditors for:		
- Audit and review	3,280	2,135
- Other Services	-	-

Note 17. Related Party Transactions

- (a) Mr R. Rees and Mr T. Rees were directors of the company during the financial year. Both were directors of the chief entity, Sietel Limited, during the financial year.
- (b) The following were the directors who held office during the financial year.
Richard Rees Thomas Rees
- (c) The ultimate chief entity is Sietel Limited which owns 100% of The Cylinder Company Pty Ltd. Sietel Limited, has made a secured loan of \$4,197,005 (2023 - \$5,061,297) to the company in lieu of a bank bill facility with no set period of repayment, subject to no default.
- (d) Chief Entity transactions:
- Maintenance fees charged to Chief Entity \$11,413 (2023 - \$12,788)
- Fees charged to other Group Entities \$0 (2023 - \$0).

Note 18. Ultimate Chief Entity

The company is ultimately controlled by Sietel Limited which is incorporated in Australia.

Note 19. Segment Reporting

The company operated predominantly in Australia in the property maintenance industry.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

Note 20. Notes to the Statement of Cash Flows

(f) Reconciliation of cash

for the purpose of the statement of cash flows cash includes:

1. Cash on hand and in at call deposits with banks or financial institutions.
2. Investments in money market instruments with less than 14 days to maturity.

	2024	2023
	\$	\$
Cash at the end of year is shown in the balance sheet as:		
Cash at Bank	11,540	39,794
	11,540	39,794

(ii) Reconciliation of cash flows from operations with operating profit after income tax.

	2024	2023
	\$	\$
Operating profit (loss) after income tax	(12,590)	70,464
Non-cash flows in operating profit		
- Depreciation	-	-
- Impairment Loss	-	-
Changes in assets and liabilities		
- (Increase)/Decrease in trade debtors and other assets	(5,208)	-
- (Increase)/Decrease in other financial liabilities	-	-
- (Increase)/Decrease in provision for warranties	-	-
- Increase/(Decrease) in trade creditors and other financial liabilities	(252)	423
- Increase/(Decrease) in provisions	-	-
- (Increase)/Decrease in deferred tax assets	262	329
- Increase/(Decrease) in tax payable	(8,672)	(7,251)
Net cash provided by/(used in) operating activities	(26,460)	63,965

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

Note 21 Financial Instruments

(a) Material Accounting Policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the accounts.

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, and accounts receivable and payable.

(b) Interest Rate Risk

The following details the company's exposure to interest rate risk as at the reporting date.

	2024 Average Interest Rate %	2024 Total \$	2023 Average Interest Rate %	2023 Total \$
Financial Assets				
Cash	0.0	11,540	0.0	39,794

The company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

At 30 September 2024, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows for interest revenue.

	2024 \$	2023 \$
Change in profit		
- Increase in interest rate by 1%	298	514
- Decrease in interest rate by 1%	0	0
Change in equity		
- Increase in interest rate by 1%	298	514
- Decrease in interest rate by 1%	0	0

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The company measures credit risk on a fair value basis.

(d) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the accounts.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

Note 22 Company Details

The registered office of the company is:

C/~ Cook's Body Works Pty Ltd 140-144 Cochranes Road, Moorabbin VIC 3189

The principal place of business is:

As above

Note 23 New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The company has decided not to early adopt any of the new and amended pronouncements.